
PORTS ASSOCIATION OF LOUISIANA

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 20 2013



Postlethwaite
& Netterville

A Professional Accounting Corporation

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PORTS ASSOCIATION OF LOUISIANA

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2012

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Ports Association of Louisiana

We have audited the accompanying statement of financial position of Ports Association of Louisiana (a nonprofit organization) (the "Association") as of June 30, 2012, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2012, on our consideration of Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Postlethwaite & Netterville

Metairie, Louisiana
December 5, 2012

PORTS ASSOCIATION OF LOUISIANA
NEW ORLEANS, LOUISIANA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

ASSETS

Cash and cash equivalents	\$ 230,603
Accounts receivable	<u>1,200</u>
TOTAL ASSETS	<u>\$ 231,803</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	<u>\$ 15,814</u>
TOTAL LIABILITIES	<u>15,814</u>

NET ASSETS

Unrestricted net assets	<u>215,989</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 231,803</u>

The accompanying notes are an integral part of this financial statement.

PORTS ASSOCIATION OF LOUISIANA
NEW ORLEANS, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

SUPPORT AND OTHER REVENUES:

Membership dues	\$ 123,775
Annual conference fees	87,550
State grant	25,000
Coastal workshop fees	5,600
Miscellaneous	<u>258</u>
 Total support and other revenues	 <u>242,183</u>

EXPENSES:

Administrative contracts	142,305
Economic impact study	55,919
Conference and workshop	43,124
Miscellaneous	<u>21,897</u>
 Total expenses	 <u>263,245</u>

CHANGE IN NET ASSETS	(21,062)
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NET ASSETS - BEGINNING OF THE YEAR	<u>237,051</u>
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NET ASSETS - END OF YEAR	<u><u>\$ 215,989</u></u>
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The accompanying notes are an integral part of this financial statement.

PORTS ASSOCIATION OF LOUISIANA
NEW ORLEANS, LOUISIANA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (21,062)
Changes in operating assets and liabilities:	
Decrease in accounts receivable	900
Decrease in accrued and other liabilities	(1,912)
Net cash used in operating activities	<u>\$ (22,074)</u>
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>252,677</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>\$ 230,603</u></u>

The accompanying notes are an integral part of this financial statement.

PORTS ASSOCIATION OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

1. Summary of Significant Accounting Policies

History and Organization

The Ports Association of Louisiana (the "Association") is operated as a non-profit trade association that was founded in 2007 to aid in the advancement of Louisiana ports. The Association represents voluntary member ports and is governed by a Board of Directors. Membership benefits include opportunities to meet and network with decision makers in Louisiana's maritime industry and a listing on the Association's website.

Method of reporting

The accompanying financial statements are presented on the accrual basis of accounting. Under this method, support and other revenues are recognized when earned, and expenses are recorded when incurred. Contributions are recognized when received or when unconditionally promised.

Financial statement presentation

In accordance with ASC No. 958, Not-for-Profit Entities, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows. At June 30, 2012, there are no temporarily or permanently restricted net assets.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

Revenue

The Association is dependent on support from both membership and conference fees, and federal financial assistance awards. Membership fees and conference fees are recognized when earned.

PORTS ASSOCIATION OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

1. Summary of Significant Accounting Policies (continued)

Use of estimates

Management of the Association has made estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable is stated at the amount the Association expects to collect from outstanding balances. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2012, included in accounts receivable is an allowance for doubtful accounts of \$0

Tax exempt status

The Ports Association of Louisiana is exempt from income taxes under the provisions of the Internal Revenue Service Code Sections 501(c) (6) and the Louisiana Revised Statutes; therefore, no provision for federal and state income taxes has been made.

The Association applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Association has reviewed its tax positions and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities, therefore the implementation of this standard has not had a material effect on the Association

The Association's tax returns for the years ended June 30, 2011, 2010, and 2009 remain open and subject to examination by taxing authorities

2. Cash and cash equivalents

The Association maintains its cash balances in a checking account and a certificate of deposit (CD) account. The balance in the checking account is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2012, all cash amounts on deposit were FDIC insured.

PORTS ASSOCIATION OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

3. Related Party Transactions

The Port of New Orleans is a member of the Association. The Association's president is the Port of New Orleans' chief operating officer, and the accounting for the Association is performed by a Port of New Orleans' employee.

4. Contingency

The Association filed the required application for non-profit status with the Internal Revenue Service in June 2011. On May 8, 2012, the Association received its approved IRS Determination Letter from the Internal Revenue Service. The federal returns for the years ended June 30, 2007, 2008, 2009, and 2010 were filed in August 2011, and the federal return for the year ended June 30, 2011 was filed in February 2012. On November 17, 2011, the Association paid the tax due on Form 990-T of \$12,504 for the years ended June 30, 2007 through June 30, 2010 to the Internal Revenue Service. On January 27, 2012, the Association paid the interest due on late payment of tax of \$2,034 for the years ended June 30, 2007 through June 30, 2010 to the Internal Revenue Service. A total of \$14,538 of interest due and late payment of tax is recorded in administrative expenses in the Statement of activities.

5. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 5, 2012, and determined that there were no subsequent events that require disclosure.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Board of Directors
Ports Association of Louisiana

We have audited the financial statements of Ports Association of Louisiana (the Association) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Association is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management of the Association and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

New Orleans, Louisiana
December 5, 2012